



Consumer Duty

Residential Mortgages

Product Information Sheet

tandem
specialist mortgages

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VERSION 1.0

For intermediaries only

Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

Product: Tandem Specialist Mortgages – 1st Charge Lending

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.

This information is intended for intermediary use only and should not be provided to customers.

1. Summary of our assessment

We have assessed that:

- Our 1st charge Specialist Mortgage product range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy remains appropriate for the target market.
- The Product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

This assessment does not include any fees, charges or other costs you require the customer to pay to you for any products or services you provide that are separate or in addition to the product or services we provide. You are responsible under the Consumer Duty for assessing those products or services. If you believe that the customer is not receiving fair value in respect of these products or services, you must inform us.

2. General product information

With a Tandem Specialist Mortgage, customers can borrow amounts of up to a maximum of £750,000 for residential mortgages.

Our Specialist Mortgage product offers a rate reduction of up to 0.3% for new customers whose home has an energy efficiency (EPC) rating of A, B or C.

These Mortgages are secured on the customer's property on a 1st charge basis.

3. Product characteristics & benefits

The Tandem Mortgage is designed to meet the needs of the target group. Specifically the need to raise capital. The product features and criteria are designed to support these needs.

The Product:

Amount	£25,000 to £750,000 Residential Mortgages.
Term	Between 5 and 35 years
Loan Purpose	<p>Our proposition is designed to appeal to customers who high street lenders have underserved.</p> <p>Our target customer market is applicants who are First Time Buyers, Home Movers or Re-Mortgage customers with a good credit profile, proven history of managing and maintaining credit.</p> <p>Tandem offers an enhanced range of specialist mortgage products, to help underserved customers who do not meet the high street approach of a minimum credit score or automated process.</p>
Eligibility Criteria	<ul style="list-style-type: none">• Aged 18+• Employed / Retired / Self Employed (Max LTV% of 90% for self-employed applicants)• UK Resident.• Homeowner – England and Wales (Max LTV% of 85% for new build properties)

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Rates	2 or 5-year fixed rate products. Our mortgage products give rate discounts to applicants with home EPC ratings of A-C.																		
Fees	Completion Fee: £1295. Broker fees are determined the broker, a maximum of either 8% or the net advance of £2495 allowed Customer can opt to pay these fees up-front of to add them to the loan. Tandem reserves the right to amend the Tariff of Fees and Charges to reflect any changes in the costs incurred by us. In such circumstances we will give customers at least 30 days' notice in the event of such changes.																		
Overpayments	Overpayments allowed up to 10% each year without ERC charge.																		
Early Repayment	Customers can close their mortgage loan account at any time by paying us all amounts outstanding under the Agreement. <table><tr><th>Year of ERC</th><th>2YR fixed</th><th>5YR fixed</th></tr><tr><td>Year 1</td><td>3.00%</td><td>2.50%</td></tr><tr><td>Year 2</td><td>1.00%</td><td>2.50%</td></tr><tr><td>Year 3</td><td>N/A</td><td>2.00%</td></tr><tr><td>Year 4</td><td>N/A</td><td>1.50%</td></tr><tr><td>Year 5</td><td>N/A</td><td>1.00%</td></tr></table>	Year of ERC	2YR fixed	5YR fixed	Year 1	3.00%	2.50%	Year 2	1.00%	2.50%	Year 3	N/A	2.00%	Year 4	N/A	1.50%	Year 5	N/A	1.00%
Year of ERC	2YR fixed	5YR fixed																	
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Year 4	N/A	1.50%																	
Year 5	N/A	1.00%																	
Restrictions	Tandem Mortgages are not available for the following purposes: Loan Purpose: <ul style="list-style-type: none">• Settling IVA/Bankruptcy restriction/Trust Deed/DRO.• Settling a HMRC tax bill where the applicant is still self-employed.• Interest only debt consolidation (unless it is debt repayment of debt accrued in the previous 12 months for the sole purpose of home improvements).• Capital raising for Debt consolidation limited to £60,000. Property Exclusions: <ul style="list-style-type: none">• Leasehold properties with <75 years remaining in the lease• Freehold Flats• Commonhold properties• Flying Freehold with >10% of the overall floor area• Grade 1&2 listed buildings• Properties without an internal kitchen, bathroom or WC• Properties suffering ongoing structural movement or insurance claims• HMO's• Commercial or semi commercial properties• Flats in Local or Ex local authority owned blocks where private ownership is less than 51%																		

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➤ Restrictions continued

Restrictions

- Flats located above 5th Floor
- Flats above commercial premises of hot food and licensed premises or with a valuation < £150,000
- Properties with significant risk of flooding or subject to Japanese knotweed infestation
- Shared Ownership/HTB unless 100% will be owed on completion

Restrictive Covenant Exclusions

- Restricted occupancy clauses
- Retirement or sheltered accommodation
- Where planning restrictions are in place, for e.g., Agricultural restrictions

Geographic exclusions:

- Scotland and Northern Ireland

Product exclusions:

- Overpayments result in a reduction in term only

4. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Product, recognising their different needs to enable you to tailor the services you provide when you distribute the Product.

This demographic can be summarised as follows: Owner occupier; Underserved by Highstreet lenders; Good credit profile; proven history of managing and maintaining credit; strong affordability; long-term stability.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>Borrowers who are over the age of 18 and resident in the UK and a UK taxpayer.</p> <p>Security property must be in England or Wales</p> <p>Borrowers over the age of 70 will require Independent Legal Advice (ILA).</p> <p>Borrowers looking to raise a mortgage against their existing residential property in the UK.</p> <p>Borrowers who are living in the security property.</p> <p>Borrowers who are seeking a repayment mortgage to clear the capital by the end of the term.</p> <p>Borrowers who are employed, self-employed or retired.</p> <p>Borrowers who are able to meet our affordability tests and requirements.</p> <p>Borrowers with limited or no adverse (Defaults, CCJ's or missed payments).</p> <p>Borrowers with non-complex income (single source employed or self-employed)</p>	<p>Tandem operates a product distribution strategy through 2 main channels –</p> <p>Applications introduced through selected B to C intermediaries; and</p> <p>Applications introduced through selected B to B intermediaries.</p> <p>All intermediaries and companies that wish to introduce business to Tandem must demonstrate capability to source application flow for Tandem's target markets.</p> <p>An initial due diligence process is conducted prior to an agency being granted and Tandem will undertake on-going, periodic monitoring to ensure that the standards established prior to initial approval remain in place.</p> <p>Tandem has an experienced business development team responsible for delivery and oversight of the distribution strategy.</p>	<p>Customers looking to Remortgage and/or capital raise for home improvements, debt consolidation or for aspirational purchases.</p> <p>To fix their costs for a period of time (fixed rate)</p> <p>To improve monthly Cashflow.</p> <p>To improve quality of Home.</p> <p>To release equity for multiple purposes.</p>

5. The Product is not designed for customers:

- Where more than 2 applicants wish to be party to the mortgage.
- Foreign nationals without permanent rights to reside in the UK • Offshore SPV
- Student Lets
- Top slicing for portfolio landlords
- HMO's
- Use liquid assets towards top slicing
- In need of later life products.
- In need of shared ownership, Right to Buy and Help to Buy mortgages.
- With no income complexity (likely to find a cheaper product with a high street lender).
- In need of certainty of payment at all times.
- In need of flexibility and not prepared to be locked into a fixed rate due to the risk of an Early Repayment Charge being payable if they want to redeem during the fixed rate period.
- Who do not meet our lending or property criteria
- Who don't have the full rights to reside in the UK
- Who are Bankrupt or in an IVA

6. Customers with characteristics of vulnerability

The Product is designed for a wide target market, and not to meet any inherent characteristics of vulnerability in the target market. However, it is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

The Home Loan product is aligned with our vulnerable customer framework and aims to achieve fair value and good outcomes for all customers, including those who are exhibiting signs of vulnerability or potential vulnerabilities.

We have a Group Vulnerable Consumers Policy in place, which satisfies the regulatory requirements surrounding vulnerability and ensures these customers are supported where relevant and continue to receive good outcomes from Tandem.

Intermediaries should continue to comply with their obligations to ensure that they treat customers in vulnerable circumstances fairly.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.

7. Our assessment of value

We have developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our product. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to Executive Risk Committee and Consumer Duty Board Champion, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

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➤ Our assessment of value continued

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<p>The range of features and benefits that are available to customers.</p> <p>The level of customer service that is provided.</p>	<p>Internal assessment and peer comparison and analysis of the following areas:</p> <ul style="list-style-type: none">• Interest rates• Fees• Charges• Advice fees paid to intermediaries	<p>The internal costs associated with the administration of the Mortgage product.</p> <p>The ancillary post-sale costs associated with:</p> <ul style="list-style-type: none">• Servicing• Customer Queries• Complaints• Dealing with customers in financial difficulty	<p>Any limitations on the scope and service we provide or the features of the Product.</p>

Results of our assessment

Our assessment concluded that the Product continues to deliver fair value for customers in the target market for the Product.